GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4255
ANSWERED ON:15.12.2000
DEBT BURDEN OF VARIOUS STATES
SRINIVASULU KALAVA

Will the Minister of FINANCE be pleased to state:

(a) whether the debt burden of various States is increasing alarmingly;

(b) if so, the details of the external and internal debt of the various States till the end of March,2000;

(c) the details of debt service compared to the national average in terms of State Gross Domestic products and Gross Domestic products respectively; and

(d) the steps taken by the Union Government to arrest the debt burden of the States?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to c) The Eleventh Finance Commission as per its terms of reference was required to make an assessment ofthe debt position of the States as on 31.3.1999 and suggest such corrective measures as are deemed necessary, keeping in view the long term sustainability for both the Centre and the States. The Finance Commission hasindicated that debt liability of States as percentage of GDP is projected to increase to 24.52 % at the end of1999-2000 as compared to 21.53 % in 1993-94. A statement showing State-wise composition of debt as on 31.3.2000 and debt as percentage of GSDP is enclosed.

External assistance is disbursed to the State Governments as Additional Central Assistance for EAP in the form of block loans and block grants and therefore form part of internal debt.

(d) The Eleventh Finance Commission has recommended continuation of the existing debt relief schemerecommended by Tenth Finance Commission, linked to improvement in the ratio of revenue receipts of a State toits total revenue expenditure, with enhanced incentive. Besides the Commission has also recommended a moratorium on the payment of installments of debt and interest on the special loans given to Punjab during 1984-94 for combating insurgency and militancy due for repayment from the State of Punjab during the period 2000-05. The Commission has further recommended debt relief to Punjab and Jammu & Kashmir on the basisof specified expenditure incurred on security. The Government of India have accepted the recommendations ofthe Finance Commission.

Statement referred to in parts (a) to (c) of Lok Sabha Unstarred Question No. 4255 for 15.12.2000

State	Debt of States as on March 31, 2000 in Rs. crores							
	Loans From							
	Centre	Market	Banks etc	W&M	Provident	Reserve	Total Debt as	
	From			Adv.	Funds	Funds & Deposits	Debt	% age of GSDP
	RBI							
A.P	16057	7037	1721	220	2857	4587	32479	20.95
Aru.Psh	409	58	220	0	193	16	896	48.00
Assam	4591	1888	220	85	1082	689	8555	24.12
Bihar	16018	6185	168	0	7903	1782	32056	35.31
Goa	1242	253	119	0	339	187	2140	34.54
Gujarat	16410	3007	853	0	2404	6130	28804	18.95
Haryana	6130	1462	561	18	3288	739	12198	22.58
H. Prah	3141	613	530	853	1793	768	7698	58.59
J & K	3630	665	328	1108	1329	30	7090	47.15
Kar	10751	3641	832	0	3644	3198	22066	18.94
Kerala	6556	3929	1221	124	6584	1778	20192	28.16
M Pra	10990	4017	774	193	6423	2591	24988	19.17
Mahar	27333	4442	1153	0	4561	14067	51556	13.92
Manipur	406	224	158	411	280	160	1639	46.80
Megha	358	309	108	0	148	208	1131	26.71

Mizoram	355	124	164	83	269	102	1097	59.76
Naga	352	464	185	169	380	6	1556	50.36
Orissa	8224	4189	549	304	4721	1504	19491	39.95
Punjab	14488	2049	1683	1006	4574	801	24601	34.89
Rajas	12222	5019	1777	885	6517	3139	29559	31.95
Sikkim	221	186	69	0	155	10	641	71.24
T Nadu	12377	4777	1189	0	4267	3718	26328	16.77
Tripura	657	331	179	0	541	51	1759	40.25
U Pra	35226	11872	1205	570	8636	14423	71932	29.28
W Ben	28552	4979	1328	0	2972	5394	43225	30.44
Total	236696	71720	17294	6029	75860	66078	473677	24.33

Source : Report of Eleventh Finance Commission for 2000-2005.